



FBD HOLDINGS PLC
24 August 2011

FBD HOLDINGS PLC
Half Yearly Report
For the Six Months Ended 30 June 2011

FINANCIAL HIGHLIGHTS	2011	2010
	€000s	€000s
▪ Gross premium written	177,486	183,191
▪ Net premium earned	149,780	149,568
▪ Operating profit	28,698	11,290
▪ Profit/(loss) before taxation	20,549	(7,860)
	Cent	Cent
▪ Operating earnings per share	75.7	29.6
▪ Diluted earnings per share	53.3	(22.2)
▪ Ordinary dividend per share	11.25	10.5
▪ Net assets per share	582	547

OPERATIONAL HIGHLIGHTS

- Excellent performance with operating profit increasing to €28.7m from €11.3m.
- Increased operating contribution from both underwriting and non-underwriting divisions.
- Underwriting performance, driven by an improved loss ratio, is the primary contributor to increase in profitability.
- Improvement in combined operating ratio from 105.2% to 92.8%.
- Operating earnings per share of 75.7 cent (2010: 29.6 cent).
- Significantly reduced level of write downs results in improvement of €28.4m at a pre-tax level.
- Interim dividend increase to 11.25 cent per share (2010: 10.5 cent).
- Asset allocation continues to provide protection against turbulent financial markets.
- Capital base further strengthened with solvency level of 60.4%, up from 54.9% in June 2010.
- Increase in net asset value to 582 cent per share.
- Full year operating earnings per share guidance increased to 145 cent to 155 cent.

JOINT VENTURE

The Group today announced a proposal, subject to shareholder approval, to establish a joint venture with Farmer Business Developments plc, a related party, to own and manage the Group's Irish and Spanish Property and Leisure operations.

Commenting on the results, Andrew Langford, Group Chief Executive, said:

"This is an excellent set of results reflecting another strong operational performance and significant progress in advancing FBD's strategic priorities. Building on the progress made in recent years, our core underwriting business has demonstrated its ability to deliver strong profitability in a challenging market."

"Today's announcement of a proposed joint venture for our property and leisure business is a significant strategic step for the Group which will allow us to focus on the core insurance underwriting business, reduce our exposure to fluctuations in property valuations, reduce both the Group's debt and its loan guarantees and enhance the ability of property and leisure to realise value over time."

For Reference**Telephone****FBD**

Andrew Langford, Group Chief Executive
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Note: These results will be presented to analysts at 10.30a.m., today, 24 August 2011. A copy of the presentation will be posted on the Group's website, www.fbdgroup.com, at that time.

ABOUT FBD HOLDINGS PLC

FBD is one of Ireland's largest property and casualty insurers looking after the insurance needs of farmers, private individuals and business owners. The Group has developed complementary financial service businesses and has hotel and leisure property interests that include four hotels in Ireland and two resorts in southern Spain. The Group was established in the 1960s.

The following details relate to FBD's ordinary shares of €0.60 each which are publicly traded:

Listing	Irish Stock Exchange	UK Listing Authority
Listing Category	Dual	Premium (Equity)
Trading Venue	Irish Stock Exchange	London Stock Exchange
Market	Main Securities Market	Main Market
ISIN	IE0003290289	IE0003290289
Ticker	EG7.IR	FBH.L

FORWARD LOOKING STATEMENTS

Some statements in this announcement are forward-looking. They represent expectations for the Group's business, and involve risks and uncertainties. These forward-looking statements are based on current expectations and projections about future events. The Group believes that current expectations and assumptions with respect to these forward-looking statements are reasonable. However, because they involve known and unknown risks, uncertainties and other factors, which are in some cases beyond the Group's control, actual results or performance, may differ materially from those expressed or implied by such forward-looking statements.

FBD HOLDINGS PLC
Half Yearly Report
For the Six Months Ended 30 June 2011

INTERIM MANAGEMENT REPORT

OVERVIEW

FBD delivered an excellent performance in the first half of 2011, despite the continuing challenges faced by both the Irish economy and the insurance industry. Operating profits before tax increased from €11.3m to €28.7m. While the underwriting and non-underwriting businesses both delivered improved contributions, the most significant contribution came from the former.

The Group has also advanced its key strategic objectives substantially during the period. Most significantly, the Group has reached agreement with Farmer Business Developments plc, subject to approval of the respective shareholders, to enter into a joint venture to share management and ownership of the Group's Irish and Spanish hotel, golf and property development businesses. This proposal, if approved, would enable the Group to focus resources on its core underwriting business, reduce the Group's exposure to fluctuations in property valuations and reduce both the Group's debt and loan guarantees. At the same time, the Group's property and leisure businesses would be provided with a robust financial structure and solid foundations to realise value over the medium term.

Underwriting

The underwriting profit of €10.7m represents a significant turnaround from the €7.8m underwriting loss incurred in the first half of 2010. After allowing for a lower longer term rate of investment return, underwriting operating profit before tax amounted to €26.5m. The improvement in the operating performance of the underwriting business is primarily attributable to an improved loss ratio.

Gross premium written in the first half of 2011 was to €177.5m, down 3.1% on the corresponding period of the previous year. The Board believes that this performance is in line with or slightly ahead of the market. In this challenging market, FBD maintained policy volume, the first half year without a fall in policy volume since the second half of 2008.

Premium rates continued to harden in property insurance while strong competition and discounting in the market limited the positive impact of the rate increases in the motor sector. The benefits of increasing rates were offset by a change in product mix and a continuing reduction in insurable risks and values, in line with economic activity in Ireland. Insurance risk and values have been trending downwards since the start of the economic crisis and, while the trend is still negative, it is beginning to show signs of stabilisation.

Likewise, competition in business insurance has been intense, particularly for larger risks. Rates have been increased but the reduction in insured value and cover continues and, where necessary, FBD has foregone targeted policy growth rather than compromise underwriting discipline.

FBD continued to successfully develop its multi-channel distribution strategy in response to changing customer behaviour. The sales office network has made further progress in developing farmer and business insurance. FBD.ie and NoNonsense.ie continue to be successful in attracting a growing number of customers from their respective target markets, particularly from urban centres. The initiative to develop broker business is progressing well despite increased competition in a challenged business insurance sector.

Net premium earned, at €149.8m, is in line with 2010. The reduction in gross premium written was compensated for by the decision to increase the proportion of our property insurance book that is retained.

Net claims incurred amounted to €103.2m (2010: €124.4m). The net loss ratio, including the cost of the severe weather events, improved from 83.2% in the first half of 2010 to 68.9% in the first half of 2011. The weather experience in the period was relatively benign with freezing conditions in January 2011 costing €2.5m, net of reinsurance, compared to a cost of €12m for the January 2010 event. Both the frequency and the average cost of property and motor claims reduced further during the first half, driven by improved risk selection and claims management, as well as a reduction in economic activity and improved road safety and law enforcement. FBD's actions on rates over the last twelve months also contributed to the improved loss ratio.

The increase in property insurance retention resulted in a fall of €1.6m in reinsurance commission receivable in the first half. This item accounted for 1.0 percentage points of the increase in the net expense ratio from 22.1% to 23.9%.

The Group continued to focus on efficiencies and productivity improvements. During the first half of the year, FBD reached agreement with staff and their representatives, following positive engagement, on a series of changes to the terms and conditions of employment and working practices. The objective of the agreement is to secure and enhance the Group's competitive cost advantage and to enable profitable growth. The Directors appreciate the co-operation of employees in the continuing and necessary challenge to maintain the Group's agility, flexibility and efficiency so as to enable it to meet customers' demands, profitably.

The Group's combined operating ratio for the first half of 2011 was 92.8%, a significant improvement on the 105.2% for the first half of 2010. Long term investment return at €15.7m was lower than the €17.2m booked in the first half of 2010 as the average asset mix in the period was more conservative than the previous year, due to the uncertain market outlook.

Non-underwriting

The non-underwriting operations generated an improved operating profit of €2.2m (2010: €1.9m).

The Group's property and leisure interests include La Cala and Sunset Beach Resorts in Spain and FBD Hotels in Ireland. These businesses recorded an operating loss of €0.5m (2010: loss €0.8m) while generating positive cash flow of €4.5m from operations. The operating result was better than both the prior year and expectations principally because of an improvement in both yield and occupancy in the Irish hotels. The number of foreign visitors has increased and there are early signs of recovery, particularly in the Dublin hotel market. While there are still structural issues in the Irish hotel industry to be resolved, the most recent trends are positive.

Sunset Beach Resort recorded another strong performance. Sales of properties in La Cala were encouraging with 17 unit sales, reducing La Cala property inventory by €5.1m to €12.9m.

Financial services/other includes contributions from general insurance broking (FBD Brokers), life assurance/pension broking/investment advice (FBD Financial Solutions), premium finance and the costs incurred in the holding company. These businesses continued to perform well in a weak environment, delivering a combined contribution of €2.7m (2010: €2.7m).

Pre-tax result

The pre-tax result was adversely affected by investment return fluctuations of €5.6m (2010: credit of €0.2m). These resulted from a combination of foreign exchange movements, equity valuations, low current rates of return on cash and movements in value of investment property values. The revaluation of property, plant and equipment resulted in a charge of €0.6m (2010: €17.9m). After charging finance costs of €1.9m (2010: €1.5m), the Group recorded a profit before tax of €20.6m (2010: loss of €7.9m), which represents a turnaround of €28.4m on the first half of 2010.

Dividends

The Board is committed to ensuring that the Group's capital position continues to be robust and its balance sheet well managed. This reflects the Board's view that it is in the long-term interests of all shareholders to maintain strong solvency and liquidity margins. The Board is also committed to a progressive dividend policy and efficient capital management.

The Board has approved a 2011 interim dividend of 11.25 cent per ordinary share (2010: 10.5 cent). This will be paid on 4 October 2011 to the holders of shares on the register on 2 September 2011. The interim dividend is subject to dividend withholding tax ("DWT") except for shareholders who are exempt from DWT and who have furnished a properly completed declaration of exemption to the Company's Registrar, from whom further details may be obtained.

STATEMENT OF FINANCIAL POSITION

The Group's financial position has further strengthened during the period. Ordinary shareholders' funds have grown to €193.6m (December 2010: €182.1m). Net assets per ordinary share have increased to 582 cent up from 547 cent at December 2010, the first increase in this metric since 2006.

The investment and other assets of the underwriting operations at the beginning and end of the six month period are set out in the following table:

Table 1: Underwriting business – Asset allocation

	30 June 2011		31 Dec 2010	
	€m	%	€m	%
Investment assets				
German Government bonds	496	63%	497	61%
Deposits and cash	200	25%	217	27%
Equities and corporate bonds	38	4%	22	3%
Investment property	20	3%	42	5%
Secured loans	20	3%	21	2%
Own land and buildings	17	2%	18	2%
Total investment assets	791	100%	817	100%
Trade and other receivables and DAC	103		91	
Reinsurers' share of technical provisions	74		96	
Plant and equipment	17		17	
Total assets	985		1,021	

FBD Insurance maintains a low risk investment policy with 88% of its total investment portfolio invested in sovereign bonds and cash assets. FBD's continued conservative approach is vindicated by the recent exceptional volatility in global investment markets. The only sovereign bonds held by the Group are German Government bonds, with an average term of less than a year, thereby protecting the Group from any significant variation in interest rates. During the first half of 2011, FBD sold three of its investment properties generating €22m, investing the proceeds in more liquid investment classes.

Investment properties are incorporated in the balance sheet at a current yield of 10.65% and secured loans are valued at a level approximating the value of the underlying security. All underwriting property related assets were revalued by independent professional valuers at 30 June 2011. The Directors believe that as a result of the impairments recognised over recent years and the de-risking of our investment book, the potential for further downside from the underwriting investments, has been greatly reduced.

An analysis of the Group's assets at 30 June 2011 and comparatives at 31 December 2010 are set out in Table 2 below:

Table 2: Group assets

	Assets 30 June 2011 €m	Assets 31 Dec 2010 €m
German Government bonds	496	497
Deposits and cash	219	231
Hotel and golf resort assets	120	120
Trade and other receivables and DAC	119	112
Reinsurers' share of technical provisions	74	96
Inventories	41	46
Equities and corporate bonds	41	25
Investment property	20	42
Secured loans	20	21
Plant and equipment	18	18
Own land & buildings	17	18
Total assets	1,185	1,226

The Group's hotel and golf resort assets were valued by independent professional valuers at 30 June 2011 and no further adjustments were required as a result.

Gearing in the Group's property and leisure operations at 30 June 2011 was 74% (2010: 73%) while interest is covered by operating cash flows generated by the business 3.5 times (2010: 4.4 times).

FBD Group has a strong capital base and its balance sheet has further strengthened in the period. FBD Insurance has a solvency level of 60.4% of net premium earned at the end of June 2011, compared with 54.9% at June 2010. FBD also has prudent asset allocation and reserving policies. The reserving ratio (net technical provisions divided by net premiums earned) remains robust at 238%.

OUTLOOK

Underwriting

Irish domestic demand is expected to decline further during the remainder of 2011, albeit at a slower rate than in recent periods. The consequent reduction in insurable risk will offset premium increases by market participants and, as a result, industry revenue is likely to reduce compared to 2010.

In a declining market, the opportunity for FBD premium growth in the remainder of 2011 will be limited. FBD will continue to focus on underwriting discipline, management of claims costs and containment of expenses while delivering profitable growth from key strategic market segments as opportunities arise.

Recent actions on rates, claims and cost management, combined with the first half improvement in profitability, support the Board's expectation of improved profitability from underwriting in the full year.

Non-underwriting

Although structural issues remain in the property and leisure industry, particularly in Ireland, the positive trends in occupancy and yield have continued over the summer months. This will contribute to improved profitability in the property and leisure businesses for the year. Sales of properties in La Cala are expected to continue over the remainder of 2011, generating additional cash flow.

FBD Brokers continues to develop its business and is well positioned to benefit from the relative buoyancy of the agri-business sector. FBD Financial Solutions will continue to focus on customer needs and cost efficiencies to again deliver growth in profitability in 2011. Financial services/other will deliver increased profitability for the full year.

The Board is confident of an improved contribution from the Group's non-underwriting businesses for the full year.

Impact of establishment of Joint Venture with Farmer Business Developments plc

As announced today, subject to shareholder approval, the Group will establish a joint venture with Farmer Business Developments plc to own and manage the Group's Irish and Spanish property, leisure and development operations. The details of the proposed transaction will be set out in a circular to shareholders to be posted within a short period. Should the transaction be approved by shareholders, the Group will, from completion, cease accounting for the results of the businesses on a consolidated basis and will instead account for its interest in the jointly controlled entity under the equity method of accounting.

The Group's share of the future profits or losses of the property and leisure operations will be included in the Group's consolidated income statement and its share of the net assets will be included in the consolidated statement of financial position. The principal changes to the consolidated statement of financial position will be that the existing hotel and golf resort assets of €119.7m, inventories of €40.9m and borrowings of €117.1m will be replaced by a single line, share of assets of joint venture.

The key benefits resulting from the proposed transaction are as follows:

- The Group will be able to focus resources on its core insurance underwriting business.
- The Group will be less exposed to fluctuations in property valuations.
- Operating profit of the Group will reflect the contribution from the core business and will no longer be impacted by the results of the property and leisure portfolio.
- Both Group debt and Group loan guarantees will be reduced.
- The property and leisure operations will be provided with solid foundations for realisation of value over time.

The proposed transaction is expected to be marginally earnings enhancing on both a basic and a diluted basis and to lead to a small increase in net asset value per share.

Group

FBD Group retains a strong capital base and balance sheet and a prudent reserving strategy. The underwriting investment policy is appropriately designed to provide protection in turbulent market conditions. The Board reiterates its belief that as a result of the impairment provisions recognised in previous years and the de-risking of the investment book, the potential for further downside from the Group's investment portfolio is limited. The Board is confident that FBD will continue to deliver superior returns to shareholders. FBD has demonstrated its capacity to deliver profits in difficult market conditions and is well positioned to deliver long-term profitable growth.

Barring the occurrence of exceptional adverse weather events over the remainder of 2011, the Board is confident that the Group will deliver full year 2011 operating earnings per share of 145 cent to 155 cent, an increase of approximately 10% on previous guidance.

PRINCIPAL RISKS AND UNCERTAINTIES

Under the Transparency (Directive 2004/109/EC) Regulations 2007 the Group is required to give a description of the principal risks and uncertainties it faces.

The Company has a risk management policy which provides a systematic, effective and efficient way for managing risk in the organisation and ensures it is consistent with the overall business strategy and the risk appetite of the Company.

Risk Appetite is a measure of the amount and type of risks the Group is willing to accept or not accept over a defined period of time in pursuit of its objectives. The Group's risk appetite seeks to encourage measured and appropriate risk taking to ensure that risks are aligned to business strategy and objectives.

The risk appetite in the Group's underwriting subsidiary is driven by an overarching desire to protect the solvency of the company at all times. Through the proactive management of risk the company ensures that it does not have or will not take on an individual risk or combination of risks that could threaten the solvency of the company. This ensures that the company has and will have in the future sufficient capital to pay its policyholders and all other creditors in full as liabilities fall due.

The Board considers that the risks and uncertainties disclosed in the Annual Report for the year ended 31 December 2010 continue to reflect the principal risks and uncertainties of the Group over the remainder of the financial year. In the Annual Report 2010 risk is categorised as general insurance risk, capital management risk, operational risk, liquidity risk, market risk, interest rate risk, credit risk and concentration risk.

Further information on these risks is included in pages 111 to 119 of the Annual Report 2010, which quantifies the sensitivity of parameters such as loss ratio, equity and property values and exchange and interest rates. The risks and uncertainties have not altered and further movement in the parameters described above may be experienced in future periods.

RELATED PARTY TRANSACTIONS

There were no related party transactions in the half year that have materially affected the financial position or performance of the Group in the period.

AUDIT REVIEW

This half yearly financial report has not been audited or reviewed by the auditors of the Group.

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED INCOME STATEMENT
For the half year ended 30 June 2011

	Notes	Half Year Ended 30/06/11 (unaudited) €000s	Half Year Ended 30/06/10 (unaudited) €000s	Year Ended 31/12/10 (audited) €000s
Revenue		232,679	242,472	478,566
Income				
Gross premium written		177,486	183,191	358,385
Reinsurance premiums		(23,267)	(27,329)	(55,172)
Net premium written		154,219	155,862	303,213
Change in provision for unearned premiums		(4,439)	(6,294)	(673)
Net premium earned		149,780	149,568	302,540
Net investment return	3	10,171	17,436	4,421
Non-underwriting income	4	34,289	35,829	79,014
Total income		194,240	202,833	385,975
Expenses				
Net claims and benefits		(103,207)	(124,399)	(234,268)
Other underwriting expenses		(35,825)	(32,987)	(66,653)
Non-underwriting expenses		(32,076)	(33,914)	(74,481)
Impairment of property, plant and equipment		(635)	(17,919)	(19,868)
Retirement benefit-past service gain		-	-	11,063
Restructuring and other costs		-	-	(1,615)
Finance costs		(1,948)	(1,474)	(3,236)
Profit/(loss) before tax		20,549	(7,860)	(3,083)
Income tax		(2,772)	510	(152)
Profit/(loss) for the period		17,777	(7,350)	(3,235)
Attributable to:				
Equity holders of the parent		17,827	(6,463)	(2,408)
Non-controlling interests		(50)	(887)	(827)
		17,777	(7,350)	(3,235)
Basic earnings/(loss) per 60 cent ordinary share	8	53.59	(22.26)	(8.08)
Diluted earnings/(loss) per 60 cent ordinary share	8	53.33	(22.15)	(8.08)

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 30 June 2011

	Half Year Ended 30/06/11 (unaudited) €000s	Half Year Ended 30/06/10 (unaudited) €000s	Year Ended 31/12/10 (audited) €000s
Profit/(loss) for the period	17,777	(7,350)	(3,235)
Impairment of property, plant and equipment	-	(309)	-
Actuarial gain on retirement benefit obligations	-	-	4,131
Exchange differences on translation of foreign operations	289	(298)	(164)
Other comprehensive income/(expense)	289	(607)	3,967
Tax charge relating to other comprehensive income	-	-	(1,531)
Other comprehensive income/(expense) after tax	289	(607)	2,436
Total comprehensive income/(expense) for the period	18,066	(7,957)	(799)
Attributable to:			
Equity holders of the parent	18,116	(7,070)	28
Non-controlling interests	(50)	(887)	(827)
	18,066	(7,957)	(799)

FBD HOLDINGS PLC

PRO FORMA RECONCILIATION OF CONSOLIDATED OPERATING PROFIT TO PROFIT BEFORE TAX
For the half year ended 30 June 2011

	Notes	Half Year Ended 30/06/11 (unaudited) €000s	Half Year Ended 30/06/10 (unaudited) €000s	Year Ended 31/12/10 (audited) €000s
Operating profit before tax:				
Underwriting	5	26,485	9,375	36,133
Non-underwriting	4	2,213	1,915	4,533
Operating profit before tax		28,698	11,290	40,666
Investment return – fluctuations	3	(5,566)	243	(30,093)
Impairment of property, plant and equipment		(635)	(17,919)	(19,868)
Retirement benefit-past service gain		-	-	11,063
Restructuring and other costs		-	-	(1,615)
Finance costs		(1,948)	(1,474)	(3,236)
Profit/(loss) before tax		20,549	(7,860)	(3,083)
 Operating earnings per 60 cent ordinary share	 8	 75.71	 29.56	 105.85

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2011

ASSETS	30/06/11 (unaudited) €000s	30/06/10 (unaudited) €000s	31/12/10 (audited) €000s
Property, plant and equipment	155,260	158,034	155,959
Investment property	20,360	45,766	42,368
Loans	23,559	41,998	24,618
Deferred tax asset	6,571	12,780	9,247
Financial assets			
Investments held to maturity	496,398	595,691	496,852
Available for sale investments	7,282	9,436	7,282
Investments held for trading	33,962	15,942	17,859
Deposits with banks	176,615	56,830	195,172
	714,257	677,899	717,165
Reinsurance assets			
Provision for unearned premiums	22,832	26,069	24,706
Claims outstanding	51,597	75,491	70,916
	74,429	101,560	95,622
Inventories	40,911	52,309	46,045
Current tax asset	7,041	-	6,003
Deferred acquisition costs	20,694	20,078	20,531
Other receivables	79,618	81,955	71,279
Cash and cash equivalents	41,912	49,599	36,714
Total assets	1,184,612	1,241,978	1,225,551

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2011

EQUITY AND LIABILITIES	Notes	30/06/11 (unaudited) €000s	30/06/10 (unaudited) €000s	31/12/10 (audited) €000s
Equity				
Ordinary share capital	7	21,409	21,409	21,409
Capital reserves		15,615	14,805	15,313
Revaluation reserves		742	433	742
Translation reserves		191	(232)	(98)
Retained earnings		155,597	141,877	144,757
		<hr/>	<hr/>	<hr/>
Shareholders' funds - equity interests		193,554	178,292	182,123
Preference share capital		2,923	2,923	2,923
		<hr/>	<hr/>	<hr/>
Equity attributable to equity holders of the parent		196,477	181,215	185,046
Non-controlling interests		2,003	2,068	2,053
		<hr/>	<hr/>	<hr/>
Total equity		198,480	183,283	187,099
		<hr/>	<hr/>	<hr/>
Liabilities				
Insurance contract liabilities				
Provision for unearned premiums		179,045	182,562	176,479
Claims outstanding		619,128	666,112	657,656
		<hr/>	<hr/>	<hr/>
		798,173	848,674	834,135
Borrowings		117,068	119,275	117,766
Retirement benefit obligation		10,859	22,105	10,859
Deferred tax liability		11,751	10,640	11,751
Current tax liability		-	4,005	-
Payables		48,281	53,996	63,941
		<hr/>	<hr/>	<hr/>
Total liabilities		986,132	1,058,695	1,038,452
		<hr/>	<hr/>	<hr/>
Total equity and liabilities		1,184,612	1,241,978	1,225,551
		<hr/>	<hr/>	<hr/>

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 30 June 2011

	Half Year Ended 30/06/11 (unaudited) €000s	Half Year Ended 30/06/10 (unaudited) €000s	Year Ended 31/12/10 (audited) €000s
Cash flows from operating activities			
Profit/(loss) before tax	20,549	(7,860)	(3,083)
Adjustments for:			
Loss/(profit) on investments held for trading	870	3,075	(1,075)
Loss on investments held to maturity	454	298	7,901
Loss on investments available for sale	-	-	2,076
Provision for loans	950	-	16,329
Depreciation of property, plant and equipment	3,285	3,080	6,476
Share-based payment expense	302	508	1,016
Decrease/(increase) in fair value of investment property	1,741	(2,499)	899
Impairment of property, plant and equipment	635	17,919	19,868
Retirement benefit - past service gain	-	-	(11,063)
Decrease in insurance contract liabilities	(14,769)	(7,729)	(16,330)
Effect of foreign exchange rate changes	329	-	(146)
Profit on disposal of property, plant and equipment	-	-	(85)
Operating cash flows before movement in working capital	14,346	6,792	22,783
(Increase)/decrease in receivables and deferred acquisition costs	(8,502)	(9,390)	834
(Decrease)/increase in payables	(15,660)	(3,743)	9,943
Decrease in inventories	5,134	6,917	13,181
Cash (used by)/generated from operations	(4,682)	576	46,741
Income taxes paid	(1,134)	(1,049)	(8,611)
Net cash (used by)/generated from operating activities	(5,816)	(473)	38,130
Cash flows from investing activities			
Investments held for trading	(16,973)	10,983	13,216
Investments held to maturity	-	(14,893)	76,343
Investments available for sale	-	40	118
Sale of property, plant and equipment	38	-	680
Purchase of property, plant and equipment	(3,259)	(2,863)	(6,415)
Sale of investment property	20,267	-	-
Repayment of loans	109	1,865	2,916
Deposits invested with banks	18,557	18,632	(119,710)
Net cash generated from/(used in) investing activities	18,739	13,764	(32,852)
Cash flows from financing activities			
Ordinary and preference dividends paid	(6,987)	(6,654)	(10,147)
Dividends paid to non-controlling interests	-	-	(150)
Decrease in borrowings	(698)	(776)	(2,285)
Net cash used in financing activities	(7,685)	(7,430)	(12,582)
Net increase/(decrease) in cash and cash equivalents	5,238	5,861	(7,304)
Cash and cash equivalents at the beginning of the period	36,714	44,036	44,036
Effect of foreign exchange rate changes	(40)	(298)	(18)
Cash and cash equivalents at the end of the period	41,912	49,599	36,714

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half year ended 30 June 2011

	Ordinary share capital	Capital reserves	Revaluation and other reserves	Translation reserve	Retained earnings	Attributable to ordinary shareholders	Preference share capital	Non-controlling interests	Total equity
	€000s	€000s	€000s	€000s	€000s	€000s	€000s	€000s	€000s
Balance at 1 January 2010	21,409	14,297	742	66	154,994	191,508	2,923	3,030	197,461
Loss after taxation	-	-	-	-	(6,463)	(6,463)	-	(887)	(7,350)
Other comprehensive expense	-	-	(309)	(298)	-	(607)	-	-	(607)
	21,409	14,297	433	(232)	148,531	184,438	2,923	2,143	189,504
Recognition of share based payments	-	508	-	-	-	508	-	-	508
Dividends paid on ordinary shares	-	-	-	-	(6,654)	(6,654)	-	-	(6,654)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(75)	(75)
Balance at 30 June 2010	21,409	14,805	433	(232)	141,877	178,292	2,923	2,068	183,283
Balance at 1 January 2011	21,409	15,313	742	(98)	144,757	182,123	2,923	2,053	187,099
Profit after taxation	-	-	-	-	17,827	17,827	-	(50)	17,777
Other comprehensive income	-	-	-	289	-	289	-	-	289
	21,409	15,313	742	191	162,584	200,239	2,923	2,003	205,165
Recognition of share based payments	-	302	-	-	-	302	-	-	302
Dividends paid on ordinary share	-	-	-	-	(6,987)	(6,987)	-	-	(6,987)
Balance at 30 June 2011	21,409	15,615	742	191	155,597	193,554	2,923	2,003	198,480

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS For the half year ended 30 June 2011

Note 1 – General Information

The information for the year ended 31 December 2010 does not constitute statutory accounts as defined in Section 19 of the Companies (Amendment) Act 1986. A copy of the statutory accounts for that year has been delivered to the Register of Companies. The auditors' report on those accounts was not qualified and did not contain any matters to which attention was drawn by way of emphasis.

This half yearly financial report has not been audited or reviewed by the auditors of the Group.

Note 2 – Accounting policies

Basis of preparation

The annual financial statements of FBD Holdings plc are prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standards 34 'Interim Financial Reporting', as adopted by the European Union.

Going Concern

The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than twelve months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Consistency of accounting policy

The accounting policies and methods of computation used by the Group to prepare the interim financial statements for the six month period ended 30 June 2011 are the same as those used to prepare the Group Annual Report for the year ended 31 December 2010 (which is available at www.fbdgroup.com) except as described below.

The following new and revised Standards and Interpretations have been adopted in these financial statements in the current period:

Amendments to IAS 24:	<i>Related party disclosures.</i>
Amendments to IAS 32:	<i>Classification of rights issue.</i>
IFRIC 19:	<i>Extinguishing financial liabilities with equity instruments.</i>
Improvements to IFRSs 2010	

The adoption of these Standards has not had any significant impact on the amounts reported in these financial statements.

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the half year ended 30 June 2011

Note 3 – Longer term investment return

	Half Year Ended 30/06/11 (unaudited) €000s	Half Year Ended 30/06/10 (unaudited) €000s	Year Ended 31/12/10 (audited) €000s
Longer-term investment return	15,737	17,193	34,514
Investment return fluctuations	<u>(5,566)</u>	<u>243</u>	<u>(30,093)</u>
Actual investment return	<u>10,171</u>	<u>17,436</u>	<u>4,421</u>

The rates of investment return underlying the calculation of the longer term investment return are set out below. These rates are reviewed annually and reflect both historical experience and the Directors' current expectations for investment returns.

	Half Year Ended 30/06/11 (unaudited) %	Half Year Ended 30/06/10 (unaudited) %	Year Ended 31/12/10 (audited) %
Government bonds	4.00	4.00	4.00
Quoted shares	6.75	6.75	6.75
Deposits with banks	3.00	3.25	3.25
Investment properties	6.25	6.25	6.25
Investments held to maturity	Actual rates	Actual rates	Actual rates

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the half year ended 30 June 2011

Note 4 – Segmental Information

(a) Operating segments

For management purposes, the Group is organised in two operating segments - underwriting and non-underwriting. These two segments are the basis upon which information is reported to the chief operating decision maker, the Group Chief Executive, for the purpose of resource allocation and assessment of segmental performance. Discrete financial information is prepared and reviewed on a regular basis for these two segments. There has been no change in the Group's reportable segments during the period.

The principal activities of the Group are underwriting of general insurance business and non-underwriting operations, including leisure/property and financial services.

Half Year ended 30/06/2011	Underwriting €000s	Non-underwriting €000s	Total €000s
Revenue	198,390	34,289	232,679
Operating profit	26,485	2,213	28,698
Investment return - fluctuations	(5,566)	-	(5,566)
Impairment of property	(635)	-	(635)
Finance costs	-	(1,948)	(1,948)
Profit before tax	20,284	265	20,549
Income tax	(2,584)	(188)	(2,772)
Profit after tax	17,700	77	17,777
Half Year ended 30/06/2010	Underwriting €000s	Non-underwriting €000s	Total €000s
Revenue	206,643	35,829	242,472
Operating profit	9,375	1,915	11,290
Investment return - fluctuations	243	-	243
Impairment of property	(2,435)	(15,484)	(17,919)
Finance costs	-	(1,474)	(1,474)
Profit/(loss) before tax	7,183	(15,043)	(7,860)
Income tax	(1,437)	1,947	510
Profit/(loss) after tax	5,746	(13,096)	(7,350)
Year ended 31/12/2010	Underwriting €000s	Non-underwriting €000s	Total €000s
Revenue	403,864	74,702	478,566
Operating profit	36,133	4,533	40,666
Investment return - fluctuations	(30,093)	-	(30,093)
Impairment of property	(3,160)	(16,708)	(19,868)
Retirement benefits – past service gain	11,063	-	11,063
Restructuring and other costs	-	(1,615)	(1,615)
Finance costs	-	(3,236)	(3,236)
Profit/(loss) before tax	13,943	(17,026)	(3,083)
Income tax	(498)	346	(152)
Profit/(loss) after tax	13,445	(16,680)	(3,235)

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the half year ended 30 June 2011

Non-underwriting profit is analysed as follows:

	Half Year ended 30/06/11 (unaudited) €000s	Half Year ended 30/06/10 (unaudited) €000s	Year ended 31/12/10 (audited) €000s
Leisure and leisure property development	(457)	(820)	1,316
Financial Services/Other	2,670	2,735	3,217
	2,213	1,915	4,533

The accounting policies of the reportable segments are the same as the Group accounting policies. Segment profit represents the profit earned by each segment. Central administration costs and Directors' salaries are allocated based on actual activity. Finance costs, restructuring costs and income tax are direct costs of each segment. Segment profit is the measure reported to the chief operating decision maker, the Group Chief Executive, for the purposes of resource allocation and assessment of segmental reporting.

(b) Geographical segments

The Group's operations are located in Ireland and the rest of the European Union. The Group's underwriting operation is located in Ireland while its non-underwriting operations are located in Ireland and the rest of the European Union. The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the services.

Revenue	Half Year ended 30/06/11 (unaudited) €000s	Half Year ended 30/06/10 (unaudited) €000s	Year ended 31/12/10 (audited) €000s
Ireland	216,256	223,778	437,669
European Union other than Ireland	16,423	18,694	40,897
Total revenue	232,679	242,472	478,566

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the half year ended 30 June 2011

Note 5 – Underwriting result

	Half Year Ended 30/06/11 (unaudited) €000s	Half Year Ended 30/06/10 (unaudited) €000s	Year Ended 31/12/10 (audited) €000s
Gross premium written	<u>177,486</u>	<u>183,191</u>	<u>358,385</u>
Net premium earned	149,780	149,568	302,540
Net claims incurred	<u>(103,207)</u>	<u>(124,399)</u>	<u>(234,268)</u>
	<u>46,573</u>	<u>25,169</u>	<u>68,272</u>
Staff Costs	(27,761)	(27,117)	(54,141)
Depreciation	(3,066)	(2,927)	(6,302)
Other gross management expenses	<u>(8,894)</u>	<u>(8,657)</u>	<u>(17,084)</u>
	<u>(39,721)</u>	<u>(38,701)</u>	<u>(77,527)</u>
Deferred acquisition costs	164	116	568
Reinsurers' share of expenses	5,256	6,976	12,743
Broker commissions payable	<u>(1,524)</u>	<u>(1,378)</u>	<u>(2,437)</u>
Net operating expenses	<u>(35,825)</u>	<u>(32,987)</u>	<u>(66,653)</u>
Underwriting result	10,748	(7,818)	1,619
Longer-term investment return	<u>15,737</u>	<u>17,193</u>	<u>34,514</u>
Operating profit before tax	<u>26,485</u>	<u>9,375</u>	<u>36,133</u>

The Group's half yearly results are not subject to any significant impact arising from the seasonality or cyclicity of operations.

Note 6 – Dividends

	Half Year Ended 30/06/11 (unaudited) €000s	Half Year Ended 30/06/10 (unaudited) €000s	Year Ended 31/12/10 (audited) €000s
Paid in Period:			
2010 Interim dividend of 10.5 cent per share on ordinary shares of 60 cent each	-	-	3,493
2010 Final dividend of 21 cent (2009: 20 cent) per share on ordinary shares of 60 cent each	6,987	6,654	6,654
Dividend of 8.4 cent per share on 14% non-cumulative Preference shares of 60 cent each	113	-	-
Dividend of 4.8 cent per share on 8% non-cumulative preference shares of 60 cent each	<u>169</u>	<u>-</u>	<u>-</u>
	<u>7,269</u>	<u>6,654</u>	<u>10,147</u>

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the half year ended 30 June 2011

	Half Year Ended 30/06/11 (unaudited) €000s	Half Year Ended 30/06/10 (unaudited) €000s	Year Ended 31/12/10 (audited) €000s
Approved but not paid:			
2009 Dividend of 4.8 cent per share on 8% non-cumulative preference shares of 60 cent each	-	-	169
2009 Dividend at 8.4 cent per share on 14% non-cumulative preference shares of 60 cent each	-	-	113
	<u>-</u>	<u>-</u>	<u>282</u>
Proposed:			
2010 Dividend of 4.8 cent per share on 8% non-cumulative preference shares of 60 cent each	169	169	169
2010 Final dividend of 21.00 cent per share on ordinary shares of 60 cent each	-	-	6,987
2011 Interim dividend of 11.25 cent (2010: 10.5 cent) per share on ordinary shares of 60 cent each	3,743	3,493	-
	<u>3,912</u>	<u>3,662</u>	<u>7,156</u>

Note 7 – Ordinary Share Capital

	Number	Half Year Ended 30/06/11 (unaudited) €000s	Half Year Ended 30/06/10 (unaudited) €000s	Year Ended 31/12/10 (audited) €000s
(i) Ordinary shares of 60 cent each				
Authorised:				
At beginning and end of period	<u>51,326,000</u>	<u>30,796</u>	<u>30,796</u>	<u>30,796</u>
Issued and fully paid:				
At beginning and end of period	<u>35,461,206</u>	<u>21,277</u>	<u>21,277</u>	<u>21,277</u>
(ii) 'A' Ordinary shares of 1 cent each				
Authorised:				
At beginning and end of period	<u>120,000,000</u>	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>
Issued and fully paid:				
At beginning and end of period	<u>13,169,428</u>	<u>132</u>	<u>132</u>	<u>132</u>
Total Ordinary Share Capital		<u>21,409</u>	<u>21,409</u>	<u>21,409</u>

The number of ordinary shares of 60 cent each held as treasury shares at 30 June 2011 was 2,191,730.

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the half year ended 30 June 2011

Note 8 –Earnings/(loss) per 60 cent ordinary share

a) The calculation of the basic and diluted earnings/(loss) per share attributable to the ordinary shareholders is based on the following data:

	Half Year Ended 30/06/11 (unaudited) €000s	Half Year Ended 30/06/10 (unaudited) €000s	Year Ended 31/12/10 (audited) €000s
Earnings			
Profit/(loss) for the period	17,777	(7,350)	(3,235)
Non-controlling interests	50	(55)	827
Preference dividend	-	-	(282)
	<hr/>	<hr/>	<hr/>
Profit/(loss) for the purpose of basic and diluted earnings per share	17,827	(7,405)	(2,690)
	<hr/>	<hr/>	<hr/>
Number of shares			
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	33,269,476	33,269,476	33,269,476
Effect of dilutive potential of share options outstanding	162,474	156,314	149,089
	<hr/>	<hr/>	<hr/>
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	33,431,950	33,425,790	33,418,565
	<hr/>	<hr/>	<hr/>
	Cent	Cent	Cent
Basic earnings/(loss) per 60 cent ordinary share	53.59	(22.26)	(8.08)
	<hr/>	<hr/>	<hr/>
Diluted earnings/(loss) per 60 cent ordinary share	53.33	(22.15)	(8.08)
	<hr/>	<hr/>	<hr/>

The 'A' ordinary shares of 1 cent each that are in issue have no impact on the earnings/(loss) per share calculation.

b) The calculation of the operating earnings per share, which is supplementary to the requirements of International Financial Reporting Standards, is based on the following data:

	Half Year Ended 30/06/11 (unaudited) €000s	Half Year Ended 30/06/10 (unaudited) €000s	Year Ended 31/12/10 (audited) €000s
Earnings			
Operating profit after taxation*	25,139	9,890	35,623
Non-controlling interests	50	(55)	(125)
Preference dividend	-	-	(282)
	<hr/>	<hr/>	<hr/>
Earnings for the purpose of operating earnings per share	25,189	9,835	35,216
	<hr/>	<hr/>	<hr/>
Number of shares	33,269,474	33,269,474	33,269,474
	<hr/>	<hr/>	<hr/>
	Cent	Cent	Cent
Operating earnings per 60 cent ordinary share	75.71	29.56	105.85
	<hr/>	<hr/>	<hr/>

* Effective tax rate of 12.4%.

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS For the half year ended 30 June 2011

Note 9 – Capital commitments

	Half Year Ended 30/06/11 (unaudited) €000s	Half Year Ended 30/06/10 (unaudited) €000s	Year Ended 31/12/10 (audited) €000s
Capital commitments at period end authorised by the Directors but not provided for in the Financial Statements:			
Contracted for	-	82	-
Not contracted for	-	-	184

Note 10 – Transactions with related parties

Farmer Business Developments plc has a substantial shareholding in the Group at 30 June 2011.

Included in the financial statements is an unsecured loan of €60,000,000 (2010: €60,000,000) from Farmer Business Developments plc to FBD Property & Leisure Limited, a 100% owned subsidiary of the Group. This loan is guaranteed by the Company. The loan is due to be repaid in full in July 2012. Interest is charged at market rate which is defined under the terms of the loan agreement as the 3 month Euribor rate plus a margin capped at 225 basis points. Total interest expensed in the Consolidated Income Statement for the half year ended 30 June 2011 relating to this loan was €1,018,332 and interest payable at 30 June 2011 was €726,102.

Included in the financial statements at the period end is €41,230 (2010: €372,851) due from Farmer Business Developments plc. This balance is made up of recharges for services provided, and recoverable costs and interest. Interest is charged on this balance at the market rate. The amount due is repayable on demand.

For the purposes of the disclosure requirements of IAS 24, the term “key management personnel” (i.e. those persons having authority and responsibility for planning directing and controlling the activities of the Company) comprises the Board of Directors which manages the business and affairs of the Company. Full disclosure in relation to the 2010 compensation entitlements of the Board of Directors and details of Directors’ share options are provided in the Report on Directors’ Remuneration in the 2010 Annual Report.

Note 11 – Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets at 30 June 2011, 30 June 2010 or 31 December 2010.

Note 12 – Subsequent events

Today the Group has announced that the Board of FBD Holdings plc and the Board of Farmer Business Developments plc have, subject to shareholder approval, agreed to enter into joint venture arrangements to share management and ownership of FBD Property & Leisure Limited.

FBD Property & Leisure Limited owns the Group’s Irish and Spanish property and leisure assets. It is currently 100% owned and managed by FBD Holdings plc.

Farmer Business Developments plc is an investment holding company which holds 29.7% of the voting shares of the Group and accordingly is considered a “related party”. As described in note 10 above, it has provided a €60,000,000 unsecured loan to FBD Property & Leisure Limited.

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS **For the half year ended 30 June 2011**

Should the proposed transaction be approved by shareholders, it will result in the 50/50 joint ownership of FBD Property & Leisure Limited by Farmer Business Developments plc and FBD Holdings plc and will be accounted for as a jointly controlled entity under the equity method of accounting. This proposal will allow the Group to focus resources on its core insurance underwriting business, reduce the Group's exposure to property valuation fluctuations, and reduce both the Group's debt and its loan guarantees. It will also strengthen the funding structure of FBD Property & Leisure Limited by reducing short-term debt repayment obligations by €122.6m, thereby enhancing its ability to reduce value over time.

The Group's share of the future profits or losses of the property and leisure operations will be included in the Group's consolidated income statement and its share of the net assets would be included in the consolidated statement of financial position. The principal changes to the consolidated statement of financial position will be that the existing hotel and golf resort assets of €119.7m, inventories of €40.9m and borrowings of €117.1m will be replaced by a single line, share of assets of joint venture.

Note 13 – Approval of Half Yearly Report

The half yearly report was approved by the Board of Directors of FBD Holdings plc on 23 August 2011.

Note 14 – Information

This half yearly report along with the Annual Report for the year ended 31 December 2010 are available on the company's website at www.fbdgroup.com.

RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Half Yearly Financial Report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Irish Financial Services Regulatory Authority and with IAS 34, Interim Financial Reporting as adopted by the European Union.

We confirm that to the best of our knowledge:

- a) the Group condensed set of interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union;
- b) the interim management report includes a fair review of the important events that have occurred during the first six months of the financial year, and their impact on the condensed set of interim financial statements and the principal risks and uncertainties for the remaining six months of the financial year;
- c) the interim management report includes a fair review of related party transactions that have occurred during the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period, and any changes in the related parties' transactions described in the last Annual Report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

On behalf of the Board

Michael Berkery
Chairman

Andrew Langford
Group Chief Executive

23 August 2011